



General Assembly

February Session, 2012

Raised Bill No. 5316

LCO No. 1319

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Referred to Committee on Planning and Development

Introduced by:
(PD)

***AN ACT REQUIRING A TWO-THIRDS VOTE OF THE GENERAL
ASSEMBLY TO ENLARGE MUNICIPAL MANDATES AND
AUTHORIZING A REVIEW OF CERTAIN MUNICIPAL BUDGETS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (d) of section 2-32b of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2012*):

4 (d) On and after January 1, 1985, (1) any bill reported by a joint
5 standing committee of the General Assembly which may create or
6 enlarge a state mandate to local governments, as defined in subsection
7 (a) of this section, shall be referred by such committee to the joint
8 standing committee of the General Assembly having cognizance of
9 matters relating to appropriations and the budgets of state agencies,
10 unless such reference is dispensed with by a vote of at least two-thirds
11 of each house of the General Assembly, and (2) any bill amended by
12 either house of the General Assembly or by the report of a committee
13 on conference in such a manner as to create or enlarge a state mandate
14 shall be referred to said committee, unless such reference is dispensed
15 with by a vote of at least two-thirds of each house of the General

16 Assembly. Any such bill which is favorably reported by said
17 committee shall contain a determination by said committee concerning
18 the following: (A) Whether or not such bill creates or enlarges a state
19 mandate, and, if so, which type of mandate is created or enlarged; (B)
20 whether or not the state shall reimburse local governments for costs
21 resulting from such new or enlarged mandate, and, if so, which costs
22 are eligible for reimbursement, the level of reimbursement, the
23 timetable for reimbursement and the duration of reimbursement. On
24 and after October 1, 2012, no bill creating or enlarging a state mandate
25 to local governments shall be enacted except upon approval by a vote
26 of at least two-thirds of the members of each house of the General
27 Assembly.

28 Sec. 2. Subsection (a) of section 7-392 of the general statutes is
29 repealed and the following is substituted in lieu thereof (*Effective*
30 *October 1, 2012*):

31 (a) All municipalities shall have all their financial statements
32 audited at least once annually and shall provide for audits in
33 accordance with the provisions of sections 4-230 to 4-236, inclusive.
34 Each audited agency, except a local housing authority, shall have all its
35 accounts audited at least once annually. [Such] Except as provided by
36 subsection (d) of section 2-90, as amended by section 3 of this act, such
37 audit shall be made by an independent auditor, as defined in section 7-
38 391, who shall be designated in accordance with the provisions of
39 section 7-396. Any independent auditor so retained to render such an
40 annual or biennial audit shall have his duties and powers defined by
41 said secretary. Any audit rendered under the provisions of this chapter
42 shall be performed in accordance with standards adopted by the
43 secretary by regulation and approved by the Auditors of Public
44 Accounts.

45 Sec. 3. Section 2-90 of the general statutes is repealed and the
46 following is substituted in lieu thereof (*Effective October 1, 2012*):

47 (a) The Auditors of Public Accounts shall organize the work of their

48 office in such manner as they deem most economical and efficient and
49 shall determine the scope and frequency of any audit they conduct.

50 (b) Said auditors, with the Comptroller, shall, at least annually and
51 as frequently as they deem necessary, audit the books and accounts of
52 the Treasurer, including, but not limited to, trust funds, as defined in
53 section 3-13c, and certify the results to the Governor. The auditors
54 shall, at least annually and as frequently as they deem necessary, audit
55 the books and accounts of the Comptroller and certify the results to the
56 Governor. They shall examine and prepare certificates of audit with
57 respect to the financial statements contained in the annual reports of
58 the Treasurer and Comptroller, which certificates shall be made part of
59 such annual reports. In carrying out their responsibilities under this
60 section, said auditors may retain independent auditors to assist them.

61 (c) Said auditors shall audit, on a biennial basis if deemed most
62 economical and efficient, or as frequently as they deem necessary, the
63 books and accounts of each officer, department, commission, board
64 and court of the state government, all institutions supported by the
65 state and all public and quasi-public bodies, politic and corporate,
66 created by public or special act of the General Assembly and not
67 required to be audited or subject to reporting requirements, under the
68 provisions of chapter 111. Each such audit may include an examination
69 of performance in order to determine effectiveness in achieving
70 expressed legislative purposes. The auditors shall report their findings
71 and recommendations to the Governor, the State Comptroller, the joint
72 standing committee of the General Assembly having cognizance of
73 matters relating to appropriations and the budgets of state agencies,
74 and the Legislative Program Review and Investigations Committee.

75 (d) Said auditors shall, on an annual basis, audit the books and
76 accounts of any municipality having a population of thirty thousand or
77 more that received more than thirty-five per cent of its annual
78 operating budget in the previous fiscal year as state grants-in-aid. The
79 auditors shall prepare a report of their review that shall include

80 recommendations on programmatic savings, efficiencies, financial
81 improvements and reforms in the municipality. Such report shall be
82 submitted to the joint standing committees of the General Assembly
83 having cognizance of matters relating to municipalities, appropriations
84 and the budgets of state agencies and finance, revenue and bonding.

85 [(d)] (e) The Auditors of Public Accounts may enter into such
86 contractual agreements as may be necessary for the discharge of their
87 duties. Any audit or report which is prepared by a person, firm or
88 corporation pursuant to any contract with the Auditors of Public
89 Accounts shall bear the signature of the person primarily responsible
90 for the preparation of such audit or report. As used in this subsection,
91 the term "person" means a natural person.

92 [(e)] (f) If the Auditors of Public Accounts discover, or if it should
93 come to their knowledge, that any unauthorized, illegal, irregular or
94 unsafe handling or expenditure of state funds or any breakdown in the
95 safekeeping of any resources of the state has occurred or is
96 contemplated, they shall forthwith present the facts to the Governor,
97 the State Comptroller, the clerk of each house of the General Assembly,
98 the Legislative Program Review and Investigations Committee and the
99 Attorney General. Any Auditor of Public Accounts neglecting to make
100 such a report, or any agent of the auditors neglecting to report to the
101 Auditors of Public Accounts any such matter discovered by him or
102 coming to his knowledge shall be fined not more than one hundred
103 dollars or imprisoned not more than six months or both.

104 [(f)] (g) All reports issued or made pursuant to this section shall be
105 retained in the offices of the Auditors of Public Accounts for a period
106 of not less than five years. The auditors shall file one copy of each such
107 report with the State Librarian.

108 [(g)] (h) Each state agency shall keep its accounts in such form and
109 by such methods as to exhibit the facts required by said auditors and,
110 the provisions of any other general statute notwithstanding, shall
111 make all records and accounts available to them or their agents, upon

112 demand.

113 [(h)] (i) Where there are statutory requirements of confidentiality
114 with regard to such records and accounts or examinations of
115 nongovernmental entities which are maintained by a state agency,
116 such requirements of confidentiality and the penalties for the violation
117 thereof shall apply to the auditors and to their authorized
118 representatives in the same manner and to the same extent as such
119 requirements of confidentiality and penalties apply to such state
120 agency. In addition, the portion of any audit or report prepared by the
121 Auditors of Public Accounts that concerns the internal control
122 structure of a state information system shall not be subject to
123 disclosure under the Freedom of Information Act, as defined in section
124 1-200.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2012</i>	2-32b(d)
Sec. 2	<i>October 1, 2012</i>	7-392(a)
Sec. 3	<i>October 1, 2012</i>	2-90

Section 1	<i>October 1, 2012</i>	2-32b(d)
Sec. 2	<i>October 1, 2012</i>	7-392(a)
Sec. 3	<i>October 1, 2012</i>	2-90

Statement of Purpose:

To require two-thirds of each chamber of the General Assembly to pass a municipal mandate and to require the Auditors of Public Accounts to conduct an audit of certain municipalities that receive more than thirty-five per cent of their operating budgets as state grants-in-aid.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]